

111TH CONGRESS
1ST SESSION

H. R. 1092

To amend the Employee Retirement Income Security Act of 1974, Public Health Service Act, and the Internal Revenue Code of 1986 to prohibit discrimination in group health coverage and individual health insurance coverage.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2009

Mr. KAGEN introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and Labor and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Employee Retirement Income Security Act of 1974, Public Health Service Act, and the Internal Revenue Code of 1986 to prohibit discrimination in group health coverage and individual health insurance coverage.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; PURPOSE.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “No Discrimination in Health Insurance Act of 2009”.

6 (b) **PURPOSE.**—It is the purpose of this Act to—

1 (1) eliminate the application of pre-existing con-
2 dition exclusions in all group health coverage policies
3 and all individual health insurance policies; and

4 (2) provide that all health insurance issuers de-
5 termine and openly disclose the premium price for
6 each and every group health insurance policy and
7 each and every individual health insurance policy,
8 such that within a specific metropolitan statistical
9 area, or other geographic area, all such premiums
10 and prices established by a given issuer shall be uni-
11 form.

12 **SEC. 2. NONDISCRIMINATION IN GROUP HEALTH COV-**
13 **ERAGE.**

14 (a) APPLICATION UNDER THE EMPLOYEE RETIRE-
15 MENT INCOME SECURITY ACT OF 1974.—

16 (1) ELIMINATION OF PREEXISTING CONDITION
17 EXCLUSIONS.—Section 701 of the Employee Retire-
18 ment Income Security Act of 1974 (29 U.S.C. 1181)
19 is amended—

20 (A) by amending the heading to read as
21 follows: “**ELIMINATION OF PREEXISTING**
22 **CONDITION EXCLUSIONS**”;

23 (B) by amending subsection (a) to read as
24 follows:

1 “(a) IN GENERAL.—A group health plan, and a
2 health insurance issuer offering group health insurance
3 coverage, with respect to a participant or beneficiary—

4 “(1) may not impose any pre-existing condition
5 exclusion; and

6 “(2) in the case of a group health plan that of-
7 fers medical care through health insurance coverage
8 offered by a health maintenance organization, may
9 not provide for an affiliation period with respect to
10 coverage through the organization.”;

11 (C) in subsection (b), by striking para-
12 graph (3) and inserting the following:

13 “(3) AFFILIATION PERIOD.—The term ‘affili-
14 ation period’ means a period which, under the terms
15 of the health insurance coverage offered by the
16 health maintenance organization, must expire before
17 the health insurance coverage becomes effective.”;

18 (D) by striking subsections (c), (d), (e),
19 and (g); and

20 (E) by redesignating subsection (f) (relat-
21 ing to special enrollment periods) as subsection
22 (c).

23 (2) CLERICAL AMENDMENT.—The item in the
24 table of contents of such Act relating to section 701
25 is amended to read as follows:

“Sec. 701. Elimination of pre-existing condition exclusions.”.

1 (b) APPLICATION UNDER THE INTERNAL REVENUE
2 CODE OF 1986.—

3 (1) ELIMINATION OF PREEXISTING CONDITION
4 EXCLUSIONS.—Section 9801 of the Internal Revenue
5 Code of 1986 is amended—

6 (A) by amending the heading to read as
7 follows: “**ELIMINATION OF PREEXISTING**
8 **CONDITION EXCLUSIONS**”;

9 (B) by amending subsection (a) to read as
10 follows:

11 “(a) IN GENERAL.—A group health plan with respect
12 to a participant or beneficiary may not impose any pre-
13 existing condition exclusion.”;

14 (C) by striking paragraph (3) of subsection
15 (b);

16 (D) by striking subsections (c), (d), and
17 (e); and

18 (E) by redesignating subsection (f) (relat-
19 ing to special enrollment periods) as subsection
20 (e).

21 (2) CLERICAL AMENDMENT.—The item in the
22 table of sections of chapter 100 of such Code relat-
23 ing to section 9801 is amended to read as follows:

“Sec. 9801. Elimination of preexisting condition exclusions.”.

24 (c) APPLICATION UNDER PUBLIC HEALTH SERVICE
25 ACT.—

1 (1) **ELIMINATION OF PREEXISTING CONDITION**
2 **EXCLUSIONS.**—Section 2701 of the Public Health
3 Service Act (42 U.S.C. 300gg) is amended—

4 (A) by amending the heading to read as
5 follows: “**ELIMINATION OF PREEXISTING**
6 **CONDITION EXCLUSIONS**”;

7 (B) by amending subsection (a) to read as
8 follows:

9 “(a) **IN GENERAL.**—A group health plan, and a
10 health insurance issuer offering group health insurance
11 coverage, with respect to a participant or beneficiary—

12 “(1) may not impose any pre-existing condition
13 exclusion; and

14 “(2) in the case of a group health plan that of-
15 fers medical care through health insurance coverage
16 offered by a health maintenance organization, may
17 not provide for an affiliation period with respect to
18 coverage through the organization.”;

19 (C) in subsection (b), by striking para-
20 graph (3) and inserting the following:

21 “(3) **AFFILIATION PERIOD.**—The term ‘affili-
22 ation period’ means a period which, under the terms
23 of the health insurance coverage offered by the
24 health maintenance organization, must expire before
25 the health insurance coverage becomes effective.”;

1 (D) by striking subsections (c), (d), (e),
2 and (g); and

3 (E) by redesignating subsection (f) (relat-
4 ing to special enrollment periods) as subsection
5 (e).

6 (2) GUARANTEED AVAILABILITY OF GROUP
7 HEALTH INSURANCE COVERAGE TO EMPLOYERS OF
8 ALL SIZES IN THE GROUP MARKET.—Section 2711
9 of such Act (42 U.S.C. 300gg–11) is amended—

10 (A) in subsection (a)—

11 (i) in the heading, by striking
12 “SMALL”;

13 (ii) in paragraph (1), by striking “(c)
14 through (f)” and inserting “(b) through
15 (d)”;

16 (iii) in paragraph (1), in the matter
17 before subparagraph (A), by striking
18 “small”;

19 (iv) in paragraph (1)(A), by striking
20 “small employer (as defined in section
21 2791(e)(4))” and inserting “employer”;

22 (v) in paragraph (2), by striking
23 “small” each place it appears; and

1 (vi) in paragraph (2), by striking
2 “coverage to a” and inserting “coverage to
3 an”;

4 (B) by striking subsection (b);

5 (C) in subsections (c), (d), and (e), by
6 striking “small” each place it appears; and

7 (D) by striking subsection (f).

8 (3) APPLICATION OF UNIFORM PREMIUMS.—

9 Section 2711 of such Act, as so amended, is amend-
10 ed by inserting after subsection (a) the following
11 new subsection:

12 “(b) APPLICATION OF UNIFORM PREMIUM.—

13 “(1) IN GENERAL.—Each and every health in-
14 surance issuer that offers health insurance coverage
15 in the group market in a State shall—

16 “(A) shall charge the same premium price
17 for the same coverage; and

18 “(B) shall openly disclose, in a manner
19 specified by the Secretary and including disclo-
20 sure through the Internet, the amount of the
21 premium price that is being charged for the
22 coverage involved.

23 “(2) UNIFORM APPLICATION TO FAMILY COV-
24 ERAGE AND TO DIFFERENT GEOGRAPHIC AREAS.—

25 Paragraph (1) shall be applied uniformly—

1 “(A) for coverage on the basis of such dif-
2 ferent family categories as the Secretary ap-
3 proves; and

4 “(B) for coverage within each metropolitan
5 statistical area and for coverage within the por-
6 tions of a State that are not within a metropoli-
7 tan statistical area.

8 “(3) APPLICATION.—Paragraph (1) shall not be
9 construed as preventing variations in premiums that
10 result from the application of a uniform monthly
11 premium over different policy years.”.

12 (4) APPLICATION OF NONDISCRIMINATION
13 RULES TO NONFEDERAL GOVERNMENTAL PLANS.—
14 Section 2721(b)(2)(A) of such Act (42 U.S.C.
15 300gg–21(b)(2)(A)) is amended by striking “sub-
16 parts 1 through 3” and “such subparts” and insert-
17 ing “subpart 2” and “such subpart”, respectively.

18 (d) EFFECTIVE DATE.—

19 (1) IN GENERAL.—The amendments made by
20 this section shall apply to plan years beginning on
21 or after January 1, 2010, regardless of whether an
22 individual is provided coverage under a group health
23 plan before such date.

24 (2) SPECIAL RULE FOR COLLECTIVE BAR-
25 GAINING AGREEMENTS.—In the case of a group

1 health plan maintained pursuant to one or more col-
2 lective bargaining agreements between employee rep-
3 resentatives and one or more employers ratified be-
4 fore the date of the enactment of this Act, the
5 amendments made by this section shall not apply to
6 plan years beginning before the later of—

7 (A) the date on which the last of the col-
8 lective bargaining agreements relating to the
9 plan terminates (determined without regard to
10 any extension thereof agreed to after the date
11 of the enactment of this Act), or

12 (B) January 1, 2011.

13 For purposes of subparagraph (A), any plan amend-
14 ment made pursuant to a collective bargaining
15 agreement relating to the plan which amends the
16 plan solely to conform to any requirement under the
17 amendments made by this section shall not be treat-
18 ed as a termination of such collective bargaining
19 agreement.

20 **SEC. 3. NONDISCRIMINATION IN INDIVIDUAL HEALTH IN-**
21 **SURANCE.**

22 (a) IN GENERAL.—Section 2741 of the Public Health
23 Service Act (42 U.S.C. 300gg–41) is amended—

1 (1) by amending the heading to read as follows:

2 **“GUARANTEED ISSUE OF INDIVIDUAL HEALTH**
3 **INSURANCE COVERAGE; UNIFORM PREMIUMS”**;

4 (2) by amending subsections (a) and (b) to read
5 as follows:

6 **“(a) IN GENERAL.—**

7 **“(1) GUARANTEED ISSUE.—**Subject to the suc-
8 ceeding subsections of this section, each and every
9 health insurance issuer that offers health insurance
10 coverage (as defined in section 2791(b)(1)) in the in-
11 dividual market to individuals residing in an area
12 may not, with respect to an eligible individual (as
13 defined in subsection (b)) residing in the area who
14 desires to enroll in individual health insurance cov-
15 erage—

16 **“(A) decline to offer such coverage to, or**
17 **deny enrollment of, such individual; or**

18 **“(B) impose any preexisting condition ex-**
19 **clusion (as defined in section 2701(b)(1)(A))**
20 **with respect to such coverage.**

21 **“(2) APPLICATION OF UNIFORM PREMIUM.—**

22 **“(A) IN GENERAL.—**Each and every health
23 insurance issuer that offers health insurance
24 coverage in the individual market in a State—

1 “(i) shall charge the same premium
2 price for the same coverage;

3 “(ii) if the issuer offers such coverage
4 in the group market in the State, shall
5 charge the same premium for the same
6 coverage offered in the group market; and

7 “(iii) shall openly disclose, in a man-
8 ner specified by the Secretary and includ-
9 ing disclosure through the Internet, the
10 amount of the premium price that is being
11 charged for the coverage involved.

12 “(B) UNIFORM APPLICATION TO FAMILY
13 COVERAGE AND TO DIFFERENT GEOGRAPHIC
14 AREAS.—Subparagraph (A) shall be applied
15 uniformly—

16 “(i) for coverage on the basis of such
17 different family categories as the Secretary
18 approves; and

19 “(ii) for coverage within each metro-
20 politan statistical area and for coverage
21 within the portions of a State that are not
22 within a metropolitan statistical area.

23 “(C) APPLICATION.—Subparagraph (A)
24 shall not be construed as preventing variations
25 in premiums that result from the application of

1 a uniform monthly premium over different pol-
2 icy years.

3 “(b) ELIGIBLE INDIVIDUAL DEFINED.—In this part,
4 the term ‘eligible individual’ means, with respect to an
5 area, an individual who resides in such area, without re-
6 gard to the period of such residency, and who is—

7 “(1) a citizen or national of the United States;

8 “(2) an alien lawfully admitted to the United
9 States for permanent residence; or

10 “(3) an alien who is otherwise lawfully residing
11 in the United States.”;

12 (3) by striking subsection (e);

13 (4) by redesignating subsection (d) and the first
14 subsection (e) (relating to application of financial ca-
15 pacity limits) as subsections (c) and (d), respec-
16 tively;

17 (5) in paragraph (1) of the subsection (e) relat-
18 ing to market requirements, by striking “or through
19 one or more bona fide associations, or both”; and

20 (6) by striking subsection (f) and inserting the
21 following:

22 “(f) UNIFORM RULES TO RESPOND TO ADVERSE SE-
23 LECTION.—

1 “(1) IN GENERAL.—The Secretary may estab-
2 lish rules for uniform application that are designed
3 to deter individuals—

4 “(A) from enrolling in individual health in-
5 surance coverage only after they develop an ill-
6 ness or injury for which such coverage applies;
7 and

8 “(B) from disenrolling from health insur-
9 ance coverage for periods in which they are un-
10 likely (or less likely) to require such coverage.

11 “(2) CONSIDERATIONS.—Such rules may take
12 into account the financial and other circumstances
13 of individuals for not being so enrolled or for so
14 disenrolling.”.

15 (b) CONFORMING AMENDMENT.—Section 2742(b) of
16 such Act (42 U.S.C. 300gg–42(b)) is amended by striking
17 paragraph (5).

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply with respect to health insurance
20 coverage offered, sold, issued, renewed, in effect, or oper-
21 ated in the individual market after December 31, 2009.

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